

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

JLM COUTURE, INC.,

Plaintiff,

-v-

HAYLEY PAIGE GUTMAN and CONRAD LOUIS
CLEVLEN,

Defendants.

CIVIL ACTION NO. 20 Civ. 10575 (LTS) (SLC)

ORDER

SARAH L. CAVE, United States Magistrate Judge.

On October 2, 2023, Plaintiff JLM Couture, Inc. (“JLM”) filed a voluntary petition for bankruptcy under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. (Chapter 11 Voluntary Petition, In re JLM Couture, Inc., No. 23-11659 (Bankr. D. Del. Oct. 2, 2023), ECF No. 1). On October 3, 2023, JLM filed a Suggestion of Bankruptcy in this action. (ECF No. 460)

JLM, as debtor, is entitled to an automatic stay of any “action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title . . .” 11 U.S.C. § 362(a)(1). As the Plaintiff in this action, JLM’s claims against Defendants are not automatically stayed under 11 U.S.C. § 362. See Tenas-Reynard v. Palermo Taxi, Inc., No. 14 Civ. 6974 (PGG), 2016 WL 1276451, at *7 (S.D.N.Y. Mar. 30, 2016) (“[t]he automatic stay provision of Section 362 by its terms only stays proceedings against the debtor, and does not address actions brought by the debtor which would inure to the benefit of the bankruptcy estate”) (quotation marks and citations omitted) (emphasis in original). Defendants’ counterclaims against JLM are, however, automatically stayed. See Kittay v. Landegger,

277 B.R. 181, 215 (Bankr. S.D.N.Y. 2002) (“[t]he automatic stay . . . enjoins the commencement or continuation of lawsuits against the debtor, including counterclaims asserted against the debtor in a lawsuit initiated by the debtor”) (citing Koolik v. Markowitz, 40 F.3d 567, 568 (2d Cir. 1994) (emphasis in original) (per curiam)).

By **October 6, 2023**, the parties shall meet and confer and file a joint letter on the docket not to exceed three pages addressing the parties' position(s) as to whether the Court should, in addition to entering an automatic stay of Defendants' counterclaims, also stay JLM's claims.

Dated: New York, New York SO ORDERED.
October 5, 2023

Sarah L. Cave
SARAH L. CAVE
United States Magistrate Judge